

Starting in June of 2004, the Department will no longer consent to the assignment of the Section 8 Housing Assistance Payments (HAP) contract unless there is a provision for requiring both physical condition standards and annual financial statement reporting. This applies to all Section 8 HAP contracts, regardless of whether there is a HUD-insured mortgage. The attached HAP assumption agreement has been amended to include the following provisions:

Multifamily Properties Physical Condition Requirement:

The Owner shall comply with HUD's Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulations and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

Multifamily Properties Financial Reporting Requirement:

The Owner shall comply with HUD's Uniform Financial Reporting Standards of 24 CFR, Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.

**ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT
(UNINSURED PROJECT)**

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE CONTRACT (herein called the "Agreement") is made this _____ day of _____, 200_, by the United States of America, acting through the _____ (herein called "the Contract Administrator"), insert name of Seller (current ownership entity), a insert limited partnership, general partnership, limited liability company, corporation, or sole proprietor (herein called "the Seller"), and insert name of Buyer, a insert limited partnership, general partnership, limited liability company, corporation, or sole proprietor (herein called "the Buyer").

WHEREAS, the Contract Administrator and insert name of prior owner or the Seller, pursuant to Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437(f), entered into a Section 8 Housing Assistance Payments Contract (herein called the "HAP Contract") identified as HAP Contract Number _____ - _____ for units in the insert project name (herein called "the Property"), a copy of which is attached hereto as "Exhibit A". insert or delete following as applicable: Said HAP Contract, executed by the Prior Owner by an assignment of HAP Contract, executed by Prior Owner and approved by HUD, dated _____

WHEREAS, the Seller, and the Buyer have entered onto a Real Estate Purchase and Sale Agreement, dated as of insert date and month, 200_, wherein the Seller agrees to sell the Property and the Buyer agrees to purchase the Property, including, without limitation, the improvements situated thereon, and has agreed to accept the assignment of and assume all obligations under the HAP Contract;

WHEREAS, the Buyer has submitted to the Secretary of HUD (herein called "the Secretary") an Application and documents in support thereof (herein collectively referred to as the "Application") requesting the Secretary's approval of the proposed assignment of the HAP Contract to the Buyer as set forth in the aforesaid Real Estate Purchase and Sale Agreement; and

WHEREAS, the Seller and the Buyer mutually desire to assign the HAP Contract; and it is necessary to and the Contract Administrator and the Buyer mutually desire to amend the HAP Contract to allow for physical inspections in accordance with 24 CFR Subpart G and require financial reporting in accordance with 24 CFR Subpart H;

NOW, THEREFORE, in consideration of the foregoing, the sum of Ten Dollars (\$10.00) in hand paid and other good consideration, the receipt of which is hereby acknowledged, and in order to comply with the requirements of the Secretary, the National Housing Act of 1937, and the regulations adopted pursuant thereto, the parties hereto agree as follows:

1. The Seller hereby irrevocably assigns HAP Contract to the Buyer together with all rights and obligations in and under said contract;
2. Effective as of the date of this Agreement the Buyer agrees to assume and to be bound by said HAP Contract as modified herein, and is responsible for filing the Annual Financial Statement (AFS) from the date of this Agreement through the end of the Buyer's fiscal year.
3. Effective as of the date of this Agreement, the Seller is released from any future obligations under the HAP Contract, excepting that the Seller shall remain responsible for filing the AFS through the day before this Agreement if said HAP Contract includes an AFS filing requirement. Nothing in this Agreement shall waive, compromise, impair, or prejudice any right HUD may have against the Seller for any violation of the HAP Contract that may have occurred prior to the date of this Agreement.
4. Part II of the HAP Contract shall be amended as follows to include the following provisions:

Physical Conditions Standards and Inspection Requirements. The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

Financial Reporting Standards. The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, includin^g any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.

5. This Agreement shall be construed under the laws of the State of insert project location and to the extent inconsistent with the laws of the State of insert project location, the laws of the United States of America. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
6. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.
7. The Secretary, by the signature of his authorized representative below, consents to assignment made hereby. Said consent shall be void ab initio if the Secretary determines that Buyer, or any principal or interested party of the Buyer, is debarred, suspended or subject to a limited denial of participation under 24 CFR Part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

NOTHING in this Agreement shall in anyway impair the HAP Contract or alter, waive, annul, vary or affect any provision, condition, covenant therein, except as herein specifically provided, or affect or impair any rights, powers, or remedies under the HAP Contract, it being the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

IN WITNESS WHEREOF, THE Seller, the Buyer and the Contract Administrator have caused this agreement to be executed.

SELLER

Name of Seller (Print)

By _____
Signature of authorized representative

Name and title (Print)

BUYER

Name of Buyer (Print)

By _____
Signature of authorized representative

Name and title (Print)

CONTRACT ADMINISTRATOR (HUD or PHA)

Name of Contract Administrator (Print)

By _____
Signature of authorized representative

Name and title (Print)